THE MAYOR'S EYE

An investigating Commission by the use of which the Mayor obtains independent information as to the records and workings of all departments of the city and county government

Officially known as

COMMISSIONERS OF ACCOUNTS

"The eye of the master will do more work than both his hands."—Benj. Franklin.

1910
COMMISSIONERS OF ACCOUNTS
280 Broadway
New York

CITY OF NEW YORK

WILLIAM J. GAYNOR, MAYOR

Office of
COMMISSIONERS OF ACCOUNTS
Raymond B. Fosdick
Commissioner

BUDGET EXHIBIT
October 3-28, 1910

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The Mayor's Eye

The Mayor of a city like Greater New York must keep his eye on thirty-four departments of the city government, employing 60,000 men and women, and spending $250,000,000 each year. As he cannot look into every detail himself, he must have records to show what these employees do, and agents who can read them in his stead and report to him what they learn.

At present the Mayor of New York has an organization of about ninety skilled persons engaged in this work. Day in and day out this organization furnishes to the Mayor much of the information upon which he bases executive action. It is, in fact, "The Mayor's Eye." Officially, it is known as the office of *Commissioners of Accounts.*

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This Commission derives its existence from City Charter. It was established by the Legislature in 1873 as a direct result of the ousting of the Tweed ring to prevent in the future any similar combinations of such officials for illegal purposes.

Under the provisions of the Charter, Sections 119 and 195, it is empowered and required to make a detailed examination of all the accounts for all moneys received into and paid out of the city treasury, in all departments, and for all purposes, and to report its findings to the Mayor and to the Board of Aldermen.

The Charter further provides that the Commission shall make such other examinations as the Mayor may direct, or as the Commissioners may deem for the best interests of the city, but they must always report their findings to him and to the Board of Aldermen.

To enable them to ascertain the facts the Commissioners are authorized to subpoena and compel the attendance of witnesses, to administer oaths, to examine such persons as they may deem necessary, and to obtain access to any records or papers having to do with the city government. The work necessarily involves the employment of such experts as accountants, engineers, lawyers, detectives, and other specialists.

It will be readily seen that with these powers and duties, this Commission is a most effective instrument for aiding the Mayor in securing good government.

It is important that this instrument should be well equipped for its work, since it is chiefly through it that the Mayor secures information upon which to base his official acts. It is evident that the Mayor cannot be held directly responsible for the conduct of the great business of the city except to the extent that he is able to obtain accurate information concerning it.

The total appropriation for this Commission for the fiscal year of 1910 was $219,389, but the vast operations which it is authorized and expected to investigate involve the handling of public money amounting to upwards of five hundred million dollars annually, if both the sums received and expended be counted, since they *all* should be watched.

But this work is by no means all of the activities of this Commission. In fact, there are a thousand and one minor things requiring study and investigation, which result in changes of policy and instructions, rather than in uncovering carelessness in the use of money or misappropriation of funds.

Complaints, rumors, suspicions, criticisms by the press, disputes over contracts, public work in progress, delays, violations of specifications, comparison of equipment with that of other cities, chemical analyses of coal, reports on tests of materials, and so on—all these things come under the jurisdiction of this Commission, and such investigations

must be paid for out of the appropriation of a little over $200,000, which is also intended to cover the cost of checking up the handling of hundreds of millions of dollars a year of public money.

How effective the powers of the Commission can be made, in a day by day campaign for efficient government, the record of its accomplishments clearly shows. The instances that follow are a few of many proofs that might be cited of the serviceability of the office:

POINT I

Since New York City "takes in" and spends approximately $500,000,000 a year, it is evident that the opportunities for extravagance, poor judgment, lax methods, graft and dishonesty in the conduct of its affairs are very great.

But when investigators, acting under the Commissioner of Accounts, are liable to come into any department at any time and thoroughly investigate any matter, a great moral effect is exercised, making for honesty and efficiency.

The new system of business procedure and accounting now being installed in all departments of the city government will make it possible for the Commission to audit many of the accounts with far greater facility than before, but will also involve additional labor in seeing that the various departments are living up to the new and more scientific requirements.

POINT 2

The Commission investigated the cost of operating the Municipal Ferry Boats, and compared it with the cost of operating the ferries which are maintained by railroads. It was pointed out how the city could save $175,000 a year by adopting the more businesslike methods employed by railroads. Not only were payrolls found to be padded, but men were employed far in excess of actual need, largely for political reasons. The city had been paying this extra amount for several years before this Commission had an opportunity to make the investigation. One year's saving on one investigation like this would almost support the total activities of this Commission in its work of investigating all branches of city government. The cost of investigating the whole Dock Department, including this item, was but $10,138.14.

POINT 3

Investigation showed that six out of twenty dockmasters, in the Department of Docks and Ferries, were found to be collecting fees which were not being turned in to the city. Three were indicted, and three others escaped. It is estimated that the substitution of honest men to take the place of those six dockmasters, and the installation of more adequate methods, will result in an increase of revenue to the city of over $100,000 in the year 1910. *And this effect will, of course, continue year after year.*

POINT 4

In the Department of Street Cleaning three steam dumpers for the disposal of ashes and refuse were built at an expense of $113,000, and were costing about $23,000 a year to maintain and operate. By investigating and comparing all methods in use in such work the Commission showed that this method was costing 32 per cent more to operate than any other method in use. By abolishing the use of these costly steam dumpers over $25,000 a year was saved.

POINT 5

An investigation of the plans and specifications for the New Tuberculosis Hospital, at Sea View, Staten Island, cut off $100,000 of unnecessary expense, and caused a modification of the plans so that an appropriate hospital could be erected for $2,500,000, instead of $3,500,000 called for in the original plans. Practically speaking, the investigation saved the city $1,100,000, without detriment to the hospital facilities. The actual cost of making this investigation was approximately $1,000.

POINT 6

In the Children's Bureau of the Department of Charities, a faulty cash system enabled a clerk to embezzle $1,878.75 from cash intended for poor children, amounting to $2,786.50, or 67% of what he took in. An investigation brought this condition to light, and resulted in a new system which will make it difficult for an employee to steal money paid the city in trust for children in its care.

The clerk who stole was arrested and is now under indictment.

POINT 7

As the result of an examination into the affairs of the office of the President of the Borough of Queens, many irregularities and extravagances were discovered. Acting upon the information furnished by this Commission the Grand Jury returned indictments for grand larceny against two superintendents of sewers, a superintendent of highways, a judge of the municipal court, two clerks, a deputy sheriff, and a district "captain."

At the time this is written, this investigation is still under way. Charges based on the facts secured by this investigation have been filed against the borough president by citizens, and the Governor has appointed a Commissioner to hear and report on the evidence presented.

POINT 8

A small "graft," if repeated in many instances, amounts to a great theft in the aggregate. Here is one of many small leaks which have been stopped by these investigations. It was found that a certain building owned by the city was leased to a politician for $75 a month, whereas $200 a month might easily have been obtained for it by leasing it for ordinary business purposes in the usual way. This meant a saving of $1,500 a year on that one building, and opened eyes for similar grafts in other cases. This is a small amount, of course, but if it were put in the school fund it would provide instruction for one year for 44 elementary students. And it would continue year after year.

POINT 9

Evidence formulated into 22 separate charges of abuse of office by Louis F. Haffen, as President of the Borough of The Bronx was obtained by the Commissioners of Accounts. One item in the charges involved the purchase by the city of Hunt's Point "Park" for $247,053.58. This property was assessed at $4,300. Most of it is under water.

On August 28, 1909, after hearing the charges filed by the Commissioners and the borough president's answer, Governor Hughes removed Mr. Haffen from office.

POINT 10

This is a reproduction of a photograph showing the condensed working papers

necessary to compile the report of the investigation conducted by the Commissioners of Accounts in the office of the

President of the Borough of The Bronx.

It includes 5,800 pages of testimony (see the five large books shown in the picture) taken during this investigation.

It was upon the findings of this Commission that Governor Hughes took steps which resulted in the ultimate removal of Louis F. Haffen, as President of the Borough of The Bronx.

POINT II

On the strength of a report made by the Commissioners of Accounts, John F. Ahearn was removed from office as President of the Borough of Manhattan. Investigations began December 3, 1906, involving the stupendous task of examining the volumes of reports, books of account, and other documents in use in the various offices and bureaus that make up the borough president's office, as well as making physical examinations of facts and matters relating to methods and operations. Public hearings began April 8, 1907, and continued almost without interruption until July 3, 1907. 151 witnesses were examined, and 4,055 pages of testimony were taken. A report covering 157 printed pages was submitted to the Mayor on July 16, 1907.

The charges included official misconduct, neglect of duty, waste of public money, violations of Charter provisions, misuse and diversion of money from a special fund, knowingly making improper contracts in paving constructions, and the employment of incompetent subordinates.

Governor Hughes, acting upon the evidence thus procured, under date of December 7, 1907, removed Mr. Ahearn from office.

POINT 12

An investigation of the records of the Magistrates' Courts showed that the evil of professional bondsmen was quite prevalent. For example: In one year's time, a piece of property in Brooklyn, appraised at $775, against which there were on file 16 judgments amounting to over $3,000, was accepted 38 times by various magistrates to an amount of thousands of dollars. This investigation is still under way, and the Grand Juries of Brooklyn and Queens counties have returned a number of indictments against guilty parties.

A plan for systematic records in the Magistrates' Courts is being formulated to reduce to a minimum the possibility of this kind of abuse.

Ought we to have more money for this work in 1911?

Appropriation, 1910	$219,389
Requested, 1911	$261,540
Increase	$42,151

Do you approve of this increase?

The additional $42,151 contemplates the following new positions:

5 Accountants at $2,400	$12,000
5 Accountants at $2,100	10,500
5 Examining Inspectors at $1,800	9,000
5 Examining Inspectors at $1,500	7,500
	$39,000

An additional $3,151 (net) is requested for salary increases.

Reasons for the requested Increase:

REASON I

As the business of the city increases, the work of studying, auditing and investigating it increases. And yet in proportion to the total amount of budget appropriations this Commission is not as amply provided for today as it was ten years ago.

In 1900 the total budget appropriations amounted to $90,778,972.48, and in 1910 it amounted to $163,130,270.37, an increase of 80%.

The budget appropriation for Commissioners of Accounts amounted to $156,000 in 1900, and $219,389 in 1910, an increase of only 40%.

The appropriation has not been increased in proportion to the growth of work to be done.

Lack of sufficient office force makes it impossible for this Commission to examine all the departments it is expected to examine. In many departments where an examination is made, it is made only to the extent necessary to obtain the facts relative to some complaint.

REASON 2

In many departments of the city government there is a certain credit due for reducing the expenses of the department, and a fine showing usually means a decrease from the expenses of the previous year.

But this rule *does not apply at all* in the expenses incurred by the Commissioners of Accounts. The more active this Commission is the more money is being saved in other departments, and a decrease in its activities fosters negligence of duty and responsibility among other departments.

By its disclosures and recommendations this Commission affords other departments an opportunity to show substantial decreases far in excess of any increase in the expenses of this Commission, thus making a net saving to the city of many hundreds of thousands of dollars.

REASON 3

During the year ending May 31, 1910, 78 employees of the office of Commissioners of Accounts worked 7071 hours *overtime* without extra compensation, —an average of 91 hours per employee.

Of this number, nine men, constituting the inspection force, worked besides their regular hours, 2490 hours *overtime* for which they received no extra compensation.

REASON 4

When it is said that a saving of so much a year was effected, it should be remembered that this saving *goes on year after year,* so that the benefits of an investigation are far greater than would seem when only the first year's figures are shown.

If a saving of $100,000 a year is effected, that means $1,000,000 in ten years.

The importance of the work of the Commissioners of Accounts can be properly appreciated only by keeping this fact well in mind. This work is not for this year only, but for all the years that follow.

REASON 5

Owing to the fact that various features of an investigation overlap, it is seldom possible to reduce to figures the actual cost of a specific item included in an investigation.

However, the actual expense as nearly as can be estimated shows that the cost of making these investigations is often a mere pittance when compared with the large saving effected by them.

REASON 6.

From January 1, 1907, to September 15, 1910, three years and a half, the office of the Commissioners of Accounts has conducted 66 separate and important investigations in which innumerable public and private hearings were had. During these hearings 2,416 witnesses were examined, 43,319 pages of sworn testimony were taken and recorded, consisting of 108,297.5 folios, and 10,829,750 words.

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Printers
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New York

3673-10 (B) 10,000